

•were issued which had been promised in a decree of May 27, 1810, and the progress of reform was so rapid that the circulation was reduced in 1822 to 595,776,000 roubles. Count Cancrini was then at the head of Russian finances, and he steadily refused to increase the paper circulation during thirteen years, in spite of wars in Turkey, Persia, and Poland. He hesitated, however, at the policy of substituting an interest-bearing debt for the immense mass of paper obligations bearing no interest and did not succeed in raising the value of the paper rouble much above a quartet of the rouble of silver.*

The government made the second effort to reduce the volume of paper money by a decree of July 1, 1839, that the paper roubles should be valued at three and a half to a rouble of silver and that a new form of paper should be substituted in this proportion. The new paper was to be known as bills of credit and was to be redeemable in silver and secured by the public domain. The exchange of the *assignats* for the new bills was ordered to take place on June 1, 1843, and a pledge was given to the business community for the credit of the new paper by depositing in the citadel of St. Petersburg in December, 1844, a metallic reserve of 70,464,245 roubles (\$54,000,000), which was to be under the control of twenty-four members of the stock exchange. This fund was increased on July 14, 1845, by 12,180,000 roubles, which established a coin reserve of nearly fifty per cent, of the 170,000,000 roubles in bills of credit then outstanding. A limited redemption was maintained and the bills did not drop far below par until the Crimean War, but new issues of credit paper were made even before the alliance with Austria to crush Hungary and 735,000,000 roubles in the new bills were in circulation at the close of the Crimean War in 1857.

The third attempt to extricate the Empire from the evils of a debased monetary standard was connected with the establishment of the Bank of Russia in substantially the

¹ The greatest depression in the value of the *assignats* was in 1815* when 100 silver roubles exchanged for 418 in paper.—L6vy, 200.